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## ACTION MEMORANDUM

S/S

CONFIDENTIAL

September 20, 1977

To:

The Secretary

From:

T - Lucy Wilson Benson

Argentine Arms Transfers

Issue for Decision

Whether to continue your policy of approving or disapproving arms transfers to Argentina on a case-by-case basis, or to institute an embargo on all government-to-government (FMS) transfers to that country.

Background

Pursuant to your decision on 25 July to review arms transfer proposals for Argentina on a case-by-case basis there is attached a memorandum from Les Gelb, cleared by all appropriate bureaus except D/HA, recommending your approval of a number of commercial and FMS equipment and ammunition sales.

D/HA, in a separate dissenting memorandum to you, designates Argentina's military government as "a gross violator of human rights" and recommends an embargo of all FMS cases.

I do not agree with the D/HA position for the following reasons:

-- The continuance of selected sales to Argentina has been considered by Congress in the FY 1978 Security Assistance legislation, and approved for the time being. The Administration argued against an embargo before the Congress and there are no new facts to warrant a change in our position;

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- -- We have terminated all U.S. financing for Argentine acquisitions of military equipment, and have refused to sell some items for cash, on the basis that they might be used against civilians. These restrictions adequately demonstrate our commitment to improve human rights;
- -- The specific actions required to give effect to section 502B of the Foreign Assistance Act, referred to by D/HA, are not determined by any rigid, mechanistic formula. You have the discretion to decide on a caseby-case basis whether further restrictions on security assistance would be in our national interest:
- -- We have other, important interests in Argentina in addition to our interest in human rights, notably maintaining Argentine cooperation in our nuclear non-proliferation efforts;
- -- The FMS embargo proposed by D/HA will indeed maintain "pressure" on the Argentine Government as D/HA argues, but whether such pressure will improve the human rights situation or further any of our other Argentine interests is open to question. The exact reverse is an equally likely outcome. An embargo is strong medicine -- if applied to Argentina, why not others? Consistency may be the hobgoblin of small minds, but there will be strong domestic political pressure to be even-handed.

## Recommendation

I believe that your original case-by-case decision was sound. Therefore, I support the approach contained in the attached PM memorandum.

Attachments: 1 - PM Memorandum on Argentine Arms Transfers
S.S. #7723639

2 - D/HA Memorandum on Argentine Arms Transfers S.S. #7723730

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Response to Benson memorandum points ( sach numbered paragraph besponds to the ficked paragraph

- 1. The Administration argued against a <u>legislative</u> prohibition barmarking by name a particular country because it would deny flexibility in the event of human rights improvement. The argument of D/HA is that there has been no significant improvement and that Argentina remains a gross violator. Therefore at this time, no approval for arms transfers. If the situation imposes substantially, we can then consider future arms transfer requests. Our refusal is not a permanent embargox written in law. It is our best judgment now as to the sonditions.
- 2. Our current restrictions demonstrate a commitment that would be undercut by going forward with these arms transfers.
- 3. Section 52B provides some flixibility but it must have some meaning. The discretion available is whether the situation reaches a consistent pattern and then, if it does, extraordinary circumstances exist which require approval of assistance as in the national interest. The legislative history \$ clearly demonstrates this is related to an evaluation of our own security interests. No such extraordinary circumstances—as may be argued, for instance, in Korea—exist.
- 4. Nuclear non-proliferation is a legitimate U.S. interest; yet, our effotts to promote human rights and many or our silence in that regard willnot determine the Argentine position. Just as a decision to be silent with regards to Soviet human rights violations would not produce a SALT agreement. It is a the content of our arms control position in the case of the Soviets and the content of non-proliferation argument—particularly what we can demonstrate with regard to Brazilian acceptance of restrictions, which will control Argentine
- 5. The refusal to permit arms transfers at this time, with regard to Argentine, depnds on our assessment—which is agreed to by most observors—that they are engaged in a consist ent pattern of gross violations today. They answer that they are fighting to head the list of offenders. Pressure will give Videla additional weight to argue that the hardline position is counterproductive. Consistency does require that with regard to other equally missimulated repressive regimes—in the absence of the extraordinary circumstances mentioned above—that we take similar action. That statement is somewhat different than the argument made in the Benson memorandum.

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